special to The New York Times

WASHINGTON, May 31 — Following are excerpts from remarks by President Mikhail S. Gorbachev at a luncheon today at the Soviet Embassy, as provided by the Federal News Service, a transcription agency:

Ladies and gentlemen — ladies and gentlemen, I am indeed happy to welcome all of you. And on my own behalf, on behalf of Raisa Maksimovna, and on behalf of my party, who have arrived to Washington for important work, for having accepted my invitation — I give you my cordial greetings.

When I recalled that we had similar meetings during our previous stay, it seemed to me that that was a landmark event of that particular visit. And I felt that we have to meet once again with the members of the American intellectual community, because it is indeed the stuff of which a society

is made...

We, back in our country ... have been discussing this particular subject and I know that you are afraid sometimes and you think that the Russians should somehow quiet down and get down to work, and I believe that it shows that we have not been able for so long to realize our potential. And we are a huge nation speaking 120 languages, that means representing 120 nationalities, but that is not all.

We'll figure out how to proceed in our country. We haven't yet done that, but the main thing has been done. Having understood our country, our history, we have come to the conclusion that we cannot proceed as we have been doing all along. That was said on March 11 during the night... from 11th to the 12th of March, and one day later I was elected General Secretary of the Communist Party of the Soviet Union. And I understood well, we cannot proceed like this anymore, so how should we live? And from that particular moment we began to search for answers.

Choosing a Path

Even those who are present here, my colleagues in the perestroika drive and in my party, you will see many people who work hard to promote perestroika to make it expand and become deeper. But the main thing is to make it sure that our country becomes more open and more open to the outside world, and this is indeed a difficult task. I am constantly asked — people ask me, "After the last five years if you had found yourself back in April 1985, had you chosen the same path?"

I'm sure that especially after these five years, after all ... ideas and to-day, which is the decisive moment — I will dwell on it — we have no other way to proceed, and there is no turn-

ing back.

I wouldn't like to impose on you, but I would like to brief you on what is going on in the Soviet Union at the

present time...

Today I said to the President that at any rate we would like to have answers to two major questions. The first one — what the Soviet Union would like to see. And I would like to tell you what — United States — we would like to see.

Being Together

In a nutshell — and I would not try to dwell in detail on what I said to the President — I would like to say that my idea boils down to the following. Being two major powerful nations at this very crucial stage in the life of our civilization, when we are involved in deep changes, we have to be together.

What does it mean — together? Let's think about it. Mr. Kissinger, my old man who always contests things, and when I want to ask — to say something critical — I turn to him, and I see that Mr. Kissinger is — has undergone evolution toward these kinds of ideas. And that is to his credit.

What does it mean — to be together? We could be competitors and we were, indeed, adversaries and we opposed each other. And I believe that a

more sound conclusion, after thinking about the whole picture, I would like to say that there was a film, "A Century-Long Romance," and that was a documentary on how the relationship between our two countries has been developing during the 20th century. And it is amazing, when you see this two-hour documentary, you feel awed at how many times we initiated things and then parted our ways. That is why it's so important not to let pass the chance that we have now....

We have come to the conclusion that we have to search for new approaches, we have to adopt a new way of thinking to each other. And it looks as if we'll have to proceed from competition to cooperation.

Many Approaches

Let's not hurry, because such changes do not happen overnight. Because only in Lithuania, they can overnight decide a question about seceding from the Soviet Union, and after that they are at a loss what to do, and we are at a loss what to do. That is one way of proceeding, that is one approach.

But there is another one which is more right, it is more humane. That is to be very cautious, to consider a matter seven times, or even 100 times before one takes a decision. So let us not hasten to undertake certain measures. And if we manage to pass from confrontation to competition to cooperation, that would indeed be a major achievement. And if we manage to do that, I'm sure that our peoples will be able to live and cooperate.

The latest public polls, both in our country and in your country, show, I believe agrees that people think that improved relations with the United States of America should be continued. And recall everything, the wartime years. ... We recall the 30's, when there was cooperation in building plants and factories in our countries. Memories are still alive in the minds of our people, and we feel very good feelings toward the American people.

And I once discussed certain things with President Mitterrand, and we were talking about the fact, how it is difficult to be a politician nowadays, because a politician used to be a guy who sat in his study and was an analyst, but now one cannot divorce himself from the populist sentiments, from the sentiments of those who do not want to be simple bystanders.

Promoting Ties

And this year, during the day of my birthday, I received an enormous number of congratulations and 98 percent from the United States of America. Yes, we published one book about Americans writing to Gorbachev and we still — we have the material for a second edition. It's very interesting. This is what is happening.

So we have the atmosphere in which we could promote such trends in the relations between our two countries. This is not an easy task. And in

both our countries people ask whether the United States are genuine in their desire. And sometimes we have situations when something is done which spoils the situation for decades to come.

And that is something we have to take into account, because I have certain information and today I read in one newspaper that Gorbachev is the man who is prone to make demagogic statements and who is a closet believer in the old ways, so to say.

But it seems to me that we haven't had a better time to undertake

ne Civilization

And the example given by the revolution proved to be an impetus, and capitalism had to prove to all that it could do something. And they used to say that regulating the economy is not a good thing, but now they are doing it. . . . So, we are living in one civilization. And regardless of all of the differences that we have — and I believe the differences are not a liability — it is a plus to a certain extent because it provides a good foundation for reaching a higher-level plane of knowledge. . . .

We welcome various forms of cooperation, exchanges, and we see that, in a search for positive ways, is replacing ideological competition. And we remain committed to the choice we have made. We are looking for ways to adapt it and in terms of more democracy — of greater democracy, so that we won't be polarized from intellectuals as well, and I believe that the Americans as well are faced with

similar problems.

Well, if we are talking about the problems, perhaps we are in a more difficult situation right now. I said to the President and I am repeating it now, that some people say that we could apply some pressure on the Soviet Union because it's enfeebled now, but how can you say that some of these are weak when perestroika is under way, it's going on, and all the instability, all the changes is but an indication of its fundamental nature.

We are changing our political system, we are working to develop a new economic system given the situation in our country, drawing up on our round experience and we are always very specific in our endeavors. That will be not like in the United States, in Germany, because that will be our unique way, because we would founder if we decide to simply adopt the ways that are current in some other country, because we've become wiser now.

Making Choices

And I'm always skeptical when someone says, well, we have to adopt this or that model. I believe that we have to make the choice and following that, creation is the thing to do, drawing on the huge experience that has been amassed by our civilization. If we manage to do that, we'll be proceeding with more speed. And at any rate, we'll have to travel down this road because we have no other choice, and the only thing to decide is how quick we should — how rapid our progress should be, and what would be its modalities.

But now we are experiencing a crucial period of time. Like never before, we want to be understood right now. We would not like to see panic in our country because of very deep and profound changes.

And today, during my discussion on this particular topic, you know with whom I talk here in Washington but that was not the President, it was said that it's difficult to be half-pregnant with introducing a market economy. I said, I agree but at any rate one has to wait nine months before a child is born and the same thing is — otherwise it would be — (apparent off-mike comment) — yes, seven months, okay.... So in order to have a healthy child, one has to wait nine months.

So we have to travel a certain road. We'll be traveling down this road because the major difficulty and — is that we have become accustomed to certain ways of thinking about market. Because Americans know pretty well about what a market is and about the whole intricacies about the — all the intricacies of a market, but we are innocent, so to say as far as a market is concerned, we have to start from the scratch. Because some people believe that a market is a speculation, and for your speculation, there is a market, so to say. . . .

Once again, I would like to thank you. I'm glad to see all of you. Some of you, I have known for some time. And with Gregory Peck, Jane Fonda, I believe, and one I also mentioned, and other members of the intelligentsia, we have two science-fiction writers, Asimov and Bradbury. When we learned about who — decided to see the guest list — and my daughter said, well, all those writers are my favorites. I have read all of their works. So we know about all your work.

And once again, on my own behalf and on the behalf of Raisa Maksimovna, on behalf of the members of my party, I extend to you my cordial welcome and I count on your cooperation in this very critical time of change and special responsibility, and of great hopes and expectations. And on how we understand each other, much will depend. Thank you very much.

I now propose a toast during this meeting, to our being together and understanding very well what cooper-

ation means.

Lunching At the Embassy

Special to The New York Times

WASHINGTON, May 31 — Following is a partial list of American guests at President Mikhail S. Gorbachev's luncheon at the Soviet Embassy today:

Robert McC. Adams, head of the Smithsonian Institution

Isaac Asimov

Rildia Bee, Van Cliburn's mother

James Billington, Librarian of Congress

Ray Bradbury

Van Cliburn

Prof. Stephen F. Cohen of Princeton

University

Douglas Fairbanks Jr.

Susan Eisenhower

Jane Fonda

John Kenneth Galbraith

Dr. Robert Gale, radiation disease specialist

Dizzy Gillespie

Armand Hammer

Pamela Harriman, Averell Harriman's widow

The Rev. Jesse Jackson

Vasily Leontiev, economist

Henry A. Kissinger

Eugene McCarthy

The Rev. Leo J. O'Donovan, Georgetown University president

Gregory Peck

Wesley W. Posvar, University of Pitts-

burgh president Frank Press, president of the National

Academy of Sciences Robert Rauschenberg

Robert Schuller, television evangelist

Ted Turner

Andrew Wyeth